



STATE OF WASHINGTON  
**DEPARTMENT OF LICENSING**

**WASHINGTON STATE  
COLLECTION AGENCY BOARD  
DRAFT MEETING MINUTES  
REGULAR BOARD MEETING**

**DATE:** September 20, 2016

**TIME:** 10:00 a.m.

**LOCATION:** Department of Licensing  
405 Black Lake Blvd SW  
1<sup>st</sup> Floor, Conference Room 2105  
Olympia, WA 98502

**MEMBERS PRESENT:** Tami Dohrman, Chair  
Scott Wiswall, Vice Chair  
Raymond Henning, Member  
Scott Kinkley, Member  
Mari Borden, Member

**STAFF PRESENT:** Rick Storvick, Assistant Administrator  
Shanan Gillespie, Regulatory Boards Program Manager  
Jenni Lingle, Administrative Assistant  
Elizabeth Thompson-Lagerberg, Advising AAG

**GUESTS PRESENT:** Lucie Bernheim, Sherri Simonoff, Stephen Bernheim, Kevin Underwood and Larry Sweatt

Stephanie Benna, Dept. of Revenue, and Ashley Miller, Dept. of Revenue

**STAFF:** Lorin Doyle, Grace Hamilton, Troy Lincoln, Michael Villnave, David Henry, and Vonna Rakestraw.

**1. Call to Order**

**1.1. Introductions**

Board members, staff, and visitors introduced themselves.

**1.2. Order Of Agenda**

Mr. Wiswall made a MOTION to accept the agenda as presented. Mr. Kinkley seconded the MOTION and it passed.

1.3. Approval Of Minutes: April 20, 2016

Mr. Henning made a MOTION to accept the minutes as presented. Mr. Kinkley seconded the MOTION and it passed.

1.4. Review communications

Mr. Storvick updated the board the primary communications since the last board meeting has been public disclosure requests associated with the change in law requiring debt buyers be licensed as collection agencies.

**2. Public Comment Opportunity**

Mr. Bernheim suggested collection agencies receive a temporary license when their applications are submitted and approved, but waiting on action from the Department of Revenue (DOR). Ms. Benna explained DOR's system fixes went live on September 12, and it will take a couple weeks for the applications to be processed and to catch up on the backlog. She also noted the previous application process did not collect information they need for their new system, which has caused processing delays for some applications.

Mr. Sweatt encouraged the board to consider applicant's violations in other states as a reason to deny licensure in Washington State. Mr. Storvick replied Washington has specific laws that limit the denial of applications. If the statute allows it, the board can address the issue. However, any change in statute would need to go to legislature.

Mr. Storvick thanked the DOR representatives for attending the board meeting and answering public comments. He explained DOR is the first contact for collection agencies and that Department of Licensing (DOL) is the final step before issuing a license. In June 2016, DOR rolled out new computer software and is currently correcting issues with it.

**Action Item: Ms. Thompson- Lagerberg will research legal reasons that may deny a collection agency from getting a license.**

**3. New Business**

3.1. North American Collection Agency Regulatory Association (NACARA) Conference

Ms. Borden and Ms. Hamilton will be attending the conference on October 11-13<sup>th</sup> in Madison, Wisconsin.

The 2017 NACARA conference will be held in Seattle.

**Action Item: Ms. Borden and Ms. Hamilton will bring back information from NACARA: How many Consumer Financial Protection Bureaus (CFPB)**

representatives attended? In addition, how many state agencies attended and the number of exams they administered, also what kind of complaints they receive.

### 3.2. 2017 Meeting Schedule

Mr. Storvick asked the board to schedule next year's board meeting dates. Board members agreed to meet on April 18, 2017 and September 19, 2017 in Olympia at 10:00 a.m.

### 3.3. Questions regarding Jurisdiction

Ms. Dohrman suggested creating a task force to review the jurisdiction questions:

- Does the Collection Agency Act (CAA) apply to collection of fees and fines derived from criminal judgements?
- What is the Board's ability to compel production of records from licensees, and is that power constrained when the Board seeks information relating to the collection of debts that are not covered by the provisions of the CAA?
- May the Board discipline a licensee for failure to provide records related to collections activity not covered by the CAA?

The board agreed that the task force committee would include Mr. Henning and Mr. Kinkley. Ms. Thompson- Lagerberg will be available for as the board's legal advisor and Ms. Gillespie and Mr. Storvick will be the staff contacts.

The board discussed whether a member of the public or industry could or should be part of the task force.

Mr. Kinkley made a MOTION to accept the delegation for adding new members if needed to the task force. Ms. Borden seconded the MOTION. Mr. Wiswall opposed the MOTION and it passed.

**Action Item: The task force will research and review the questions with the Assistant Attorney General (AAG) and report back to the board.**

**Action Item: Ms. Borden will seek clarification from other states at the NACARA conference regarding jurisdiction questions.**

## 4. Old Business

### 4.1. Definition of Communication

The board discussed the topic of communication, specifically when a debt collector calls and no one answers. The Consumer Financial Protection Bureau (CFPB) is in the process of improving and creating boundaries around what is considered a communication. The board decided to table the discussion until further information from CFPB.

Action Item: Ms. Thompson-Lagerberg will research the definition of “communication” and unanswered phone calls. Mr. Kinkley can assist in some research he has collected.

4.2. Review Master Action Items List

The board reviewed and discussed outstanding action items.

**5. Complaint Cases for Review\***

5.1. Case Manager Closures Report

Staff reported there have been five cases closed for no jurisdiction, 22 cases closed with no violation, two cases recommended to be closed by case manager, and five complaints withdrawn or opened in error.

**6. Legal Issues for Deliberation\***

6.1. Orders To Be Presented

No business.

**7. Disciplinary & Investigation Items**

7.1. Closed Session Deliberation report (only necessary if closed session is held)

No business.

7.2. Disciplinary Cases Report

Staff reviewed complaint statistics for the year and referred board members to the Complaint Report in the packet.

**8. Board Administrator’s Report**

8.1. Program Operations

New staff and board support introductions were announced as follows: Shanan Gillespie, lead support for the board; Jenni Lingle, administrative support for the board; Yvonne Brumfield, board support supervisor; Troy Lincoln, compliance intake coordinator; Vonna Rakestraw, lead licensing representative; and David Henry, licensing representative.

8.2. Licensing and application update

Ms. Rakestraw reported there is a backlog due to DOR’s new computer software. She let the board know it would take a couple weeks to catch up and there has been a work-around created to speed up the process.

8.3. Department of Licensing

Ms. Gillespie reported to the board on a recent meeting held with Representative Tina Orwell regarding student loan debt. Representative Orwell asked questions regarding how collection agencies handle the collection of student loan debt. Currently there are no bills on the topic at this time.

8.4. Other Items

Mr. Kinkley raised the question if there is a way to track debt buyers licensed as collection agencies.

Action Items: Ms. Rakestraw will contact DOR and see if they can track debt buyer information.

## 9. Other Business

### 9.1. Action items from this meeting

- Ms. Thompson- Lagerberg will research legal reasons that may deny a collection agency from getting a license.
- Ms. Borden and Ms. Hamilton will bring back information from NACARA: How many Consumer Financial Protection Bureaus (CFPB) representatives attended? In addition, how many state agencies attended and the number of exams they administered, also what kind of complaints they receive.
- The task force will research and review the three questions about jurisdiction with the Assistant Attorney General (AAG) and report back to the board.
- Ms. Borden will ask the board's jurisdiction questions at the NACARA conference.
- Ms. Thompson-Lagerberg will research the definition of "communication" and unanswered phone calls. Mr. Kinkley can assist in some research he has collected.
- Ms. Rakestraw will contact DOR and see if they can track debt buyer information.

### 9.2. Agenda items for next meeting

- Task Force Committee report.
- NACARA report.
- Ms. Thompson-Lagerberg will report on "communications".

## 10. Adjournment 11:20 a.m.

Approved by:

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Rick Storvick, Assistant Administrator

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Date

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Tami Dohrman, Chair

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Date